



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

RQ-3

February 14, 2002

James C. May, Treasurer
National Association of Broadcasters Television
and Radio Political Action Committee
1771 N Street N.W.
Washington, DC 20036

Identification Number: C00009985

Reference: March Monthly (2/1/01-2/28/01), April Monthly (3/1/01-3/31/01) and
May Monthly (4/1/01-4/30/01) Reports

Dear Mr. May:

On January 23, 2002, you were notified that a review of the above-referenced report(s) raised questions as to specific contributions and/or expenditures, and the reporting of certain information required by the Federal Election Campaign Act.

Your February 6, 2002 response is incomplete because you have not provided all the requested information. For this response to be considered adequate, the following information is still required.

-Schedule B of your report discloses payments to your connected organization to "reimburse vendor for hotel", "reimburse vendor for airfare charges" and "purchase 24 tickets/parking from vendor" and memo entries indicating that these payments were for in-kind contributions to candidate committees. 2 U.S.C. §441b prohibits a corporation or labor organization from contributing or expending funds for the purpose of influencing any federal election; however, a connected organization may pay for the solicitation and administrative costs of its separate segregated fund.

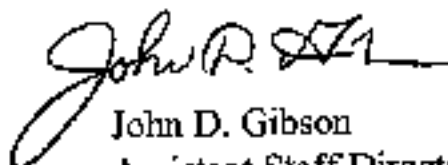
Please note that in certain circumstances the committee may make advance payments to its connected organization for services (see attached pages from the Campaign Guide for Corporations and Labor Organizations). Please provide additional clarification regarding these transactions. You should also clarify if the payments to your connected organization were made in advance of the in-kind contributions to the candidate committees.

Although the Commission may take further legal action concerning this matter, your prompt action will be taken into consideration.

An adequate response must be received at the Commission by March 6, 2002. Adequate responses received on or before this date will be taken into consideration in determining whether audit action will be initiated. **Requests for extensions of time in which to respond will not be considered.** Failure to provide an adequate response by this date may result in an audit of the committee. Failure to comply with the provisions of the Act may also result in an enforcement action against the committee. Any response submitted by your committee will be placed on the public record and will be considered by the Commission prior to taking enforcement action.

Electronic filers must file amendments in an electronic format and must submit an amended report in its entirety, rather than just those portions of the report that are being amended. If you should have any questions related to this matter, please contact Jim Krebs on our toll-free number (800) 424-9530 (at the prompt press 1, then press 2 to reach the Reports Analysis Division) or our local number (202) 694-1130.

Sincerely,



John D. Gibson
Assistant Staff Director
Reports Analysis Division

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Enclosure

CHAPTER 10 Use of Resources and Facilities

Under certain circumstances, corporations (including incorporated membership and trade associations) and labor organizations may allow candidates, political committees and individuals to use their resources and facilities (e.g., computers, phones, office equipment, furniture and rooms) in connection with federal elections. Described below are rules that apply to the use of facilities; note particularly when the user must reimburse the organization and when payment must be made in advance of the facility use.

This section does not apply to the use of an organization's facilities for the purpose of administering an SSF or raising funds for it. See pages 13 and 24.

1. Individual Volunteer Activity

Incidental Use

Corporate employees and stockholders and labor organization employees, members and officials may make occasional, isolated or incidental use of corporate/labor organization facilities for their own individual volunteer activities in connection with a federal election. Note that the Commission has said that the use of facilities during one hour per week or four hours per month is considered "incidental use." Note, however, that this safe harbor does not apply when the employee is asked by a superior to do the volunteer work as a part of his/her regular duties. 114.2(f)(2)(i)(A). See Use of Staff, this page.

Reimbursement

Incidental Use
When the individual's use of the facilities is occasional, isolated or incidental, the individual must reimburse the organization to the extent that his/her activity increased the corporate/labor organization's overhead or operating costs. 114.9(a)(1) and (b)(1).

Activity Exceeding Incidental Use
When the individual's use of facilities exceeds the time frame of "incidental use," the individual must, within a commercially reasonable time, reimburse the corporation/labor organization for the usual and normal rental charge for facility use. 114.9(b)(2) and (b)(2).

2. Use In Fundraising

Corporations and labor organizations are generally prohibited from using their resources or facilities to engage in fundraising activities in connection with a federal election (except for fundraising for their own SSF—see Chapter 3. See also Appearances Before the Restricted

Class, Solicitation by the Connected Organization, page 63). There are, however, three narrow exceptions.

Use of Staff

Corporate/labor officials or employees may direct subordinates to plan, organize or carry out fundraising as part of their work, using corporate/labor organization resources, only if the corporation or labor organization receives advance payment for the fair market value of the services, including compensation, benefits and overhead. However, using coercion to urge anyone to engage in fundraising on behalf of, or make a contribution to, a candidate or political committee is prohibited. 114.2(f)(2)(i)(A) and (iv). AO 1996-18.

ADVANCE PAYMENT FOR USE OF RESOURCES AND FACILITIES

SCHEDULE B (FEC FORM 300) ITEMIZED DISBURSEMENTS		Use separate schedule for each category of the Disbursement Page		FOR LINE NUMBER: (check only one)		PAGE 1 OF 1	
				1	2	3	4
				11	12	13	14
Any information copied from such Reports and Statements may not be used to help process for the purpose of updating contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such committee.							
Name of Committee (in full)							
Gold Nugget Corporation PAC							
Full Name (Last, First, Middle Initial)							
A. Gold Nugget Corporation							
Mailing Address							
101 Commerce Road							
City							
Alexandria							
State							
VA							
Zip Code							
00000							
Purpose of Disbursement							
Campaign services							
Candidate Name							
Office Sought							
House							
Senate							
President							
Disbursement For:							
<input checked="" type="checkbox"/> Primary <input type="checkbox"/> General							
<input type="checkbox"/> Other (specify):							
Date of Disbursement							
08/10/2002							
Amount of Each Disbursement this Period							
1000.00							
B. Gold Nugget Corporation							
Mailing Address							
101 Commerce Road							
City							
Alexandria							
State							
VA							
Zip Code							
00000							
Purpose of Disbursement							
Fundraising (raising)							
Candidate Name							
Karl Midas							
Office Sought							
<input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President							
Disbursement For:							
<input checked="" type="checkbox"/> Primary <input type="checkbox"/> General							
<input type="checkbox"/> Other (specify):							
Date of Disbursement							
08/11/2002							
Amount of Each Disbursement this Period							
-800.00							
C. Gold Nugget Corporation							
Mailing Address							
101 Commerce Road							
City							
Alexandria							
State							
VA							
Zip Code							
00000							
Purpose of Disbursement							
Fundraising (raising)							
Candidate Name							
John Rutherford							
Office Sought							
<input checked="" type="checkbox"/> House <input type="checkbox"/> Senate <input type="checkbox"/> President							
Disbursement For:							
<input checked="" type="checkbox"/> Primary <input type="checkbox"/> General							
<input type="checkbox"/> Other (specify):							
Date of Disbursement							
08/13/2002							
Amount of Each Disbursement this Period							
-400.00							

Use of Customer/Client Lists

A corporation or labor organization may, in connection with a fundraiser, use the organization's lists of customers, clients or vendors or others not in the restricted class to send invitations or solicit contributions only if the organization receives advance payment for the fair market value of the lists. 114.2(f)(2)(i)(C).

Use of Catering or Food Services

In connection with a fundraiser, the corporation or labor organization may operate or obtain catering or other food services only if the corporation or labor organization receives advance payment for the fair market value of the services. 114.2(f)(2)(i)(E).

Advance Payment

In Advance
"In advance" means before the staff services, the lists or the catering services are provided.

Permissible Sources
Any person who is not otherwise prohibited from making a contribution in connection with a federal election (e.g., an individual, PAC or campaign) may make the advance payment. For example, the candidate, the organization's separate segregated fund, the party, or an individual may make the advance payment.

Effect on Contribution Limits
Payments by the candidate or the candidate's committee will be considered campaign expenditures. Payments by any other person will be considered in-kind contributions to the candidate, subject to limits and reporting requirements.

3. Use of Offices and Equipment

If a committee or individual other than an employee or stockholder of a corporation, or a member or official of a labor organization, uses the corporate/labor organization facilities in connection with a federal campaign, the user must reimburse the organization within a commercially reasonable time and at the usual and normal rental charge. Facilities used

ADVANCE PAYMENT FOR USE OF RESOURCES AND FACILITIES (continued)

SCHEDULE B (FEC Form 3X) ITEMIZED DISBURSEMENTS		FOR LINE NUMBER: (check only one)		PAGE 1 OF 1	
Use separate schedule for each category of the Detailed Summary Page		11a	11b	11c	11d
		11a	11b	11c	11d
Any information copied from such Reports and Statements may not be sold or used by any person for the purpose of obtaining contributions or for commercial purposes, other than using the name and address of any political committee to solicit contributions from such contributors.					
NAME OF COMMITTEE OR FUND					
Gold Knight Corporation					
Full Name (Last, First, Middle Initial)					
A. Committee to Elect Kay Miras					
Mailing Address					
188 Victory Road					
City					
Alexandria					
State					
VA					
Zip Code					
00000					
Purpose of Disbursement					
In-kind (Fundraiser/catering)					
Candidate Name					
Kay Miras					
Office Sought					
House					
Senate					
President					
Disbursement For:					
Primary					
General					
Other (specify)					
Date of Disbursement					
03 11 2008					
Amount of Each Disbursement this Period					
800.00					
B. John Rutherford 2008 Committee					
Mailing Address					
435 Monument Ave.					
City					
St. Paul					
State					
MN					
Zip Code					
00000					
Purpose of Disbursement					
In-kind (Fundraiser/catering)					
Candidate Name					
John Rutherford					
Office Sought					
House					
Senate					
President					
Disbursement For:					
Primary					
General					
Other (specify)					
Date of Disbursement					
03 11 2008					
Amount of Each Disbursement this Period					
400.00					

for these purposes might include office space, telephones, computers, typewriters, copy machines and furniture. 114.9(d).

4. Meeting Rooms

At Discount or for Free

A corporation or labor organization may offer its meeting rooms to a candidate or a political committee at a discount or for free if:

- it customarily makes the meeting rooms available to clubs, civic or community organizations or other groups at a discount or for free;
- it makes the meeting rooms available on the same terms given to the other groups using the meeting rooms; and
- it makes the meeting rooms available to any other candidate or political committee upon request. 114.13.

At Normal and Usual Rental Charge

Alternatively, a corporation or labor organization may, at its discretion, rent its meeting rooms to a candidate or political committee provided the corporation or labor organization is reimbursed within a commercially reasonable time and at the usual and normal commercial rental rate. 114.2(f)(2)(B) and (D) and 114.9(d).

EXAMPLE: If Corporation XYZ allows a civic group to use its meeting rooms at a 20 percent discount from the usual and normal rental rate, Corporation XYZ may allow Candidate A to use the meeting rooms at the same 20 percent discount as is given to the civic group. If it allows Candidate A to rent the meeting rooms at the 20 percent discount, Corporation XYZ must allow any other candidates who so request to use the meeting rooms, and it must give them the same 20 percent discount.

Alternatively, if Corporation XYZ rents its meeting rooms to Candidate A at the usual and normal rental rate, it is not required to allow any other candidate to use the rooms.

5. Transportation

Use of Corporate/Labor Airplane

A candidate, a candidate's agent or someone traveling on behalf of a candidate may, in connection with a federal election, use an airplane owned or leased by a labor organization or corporation that is not licensed to offer commercial service (i.e., that is not an "air carrier" under the Federal Aviation Administration rules). The user must pay the corporation or labor organization in advance of the trip according to the following rules:

Travel to City Regularly Served by Commercial Service

When traveling to a city with regularly scheduled commercial airline service, the campaign must pay the first class air fare rate; and

Travel to City Not Regularly Served by Commercial Service

When traveling to a city with no regularly scheduled commercial airline service, the campaign must pay the usual charter rate, 114.9(a)(1). See also AO 1999-13.

Use of Other Transportation

If a candidate's campaign uses other means of transportation owned or leased by a corporation or labor organization, the campaign must reimburse the organization within a commercially reasonable time and at the usual rental charge, 114.9(e)(2).

6. Production of Campaign Materials

Any person using corporate/labor organization facilities to produce materials in connection with a federal election must reimburse the corporation or labor organization within a commercially reasonable period of time for the usual and normal charge for producing those materials in the commercial market, 114.9(c).

CHAPTER 11 Other Uses of Treasury Funds

In addition to the communications described above, a corporation or labor organization may use its treasury funds for other activities affecting the political process at the federal level. These activities are not considered contributions, and they are not reportable by the organization that conducts them. Listed below are descriptions of these activities along with pertinent guidelines.

1. Legal and Accounting Services¹

A corporation or labor organization may offer free legal and accounting services to candidate committees, party committees and other political committees provided that:

- The individual who performs the service is a regular employee of the organization;

- The organization does not hire additional employees to enable the regular employees to provide the services;
- The services to candidate committees and other nonparty political committees are provided only for the purpose of helping them comply with the federal election campaign laws; and
- The services provided to political party committees do not directly further the election of candidates for federal office, 114.1(a)(2)(vi) and (vii).

Because recipient committees must report the value of donated legal and accounting services, the corporation or labor organization should provide committees with the following information: the cost of the services, the date they were performed and the name of the individual performing them, 104.3(h).

2. Donations to Nonfederal Candidates and Committees

A corporation or labor organization may make donations to nonfederal candidates and to organizations not involved in federal elections, if permitted by state law. However, national banks, federally chartered corporations and foreign nationals are prohibited from making contributions or expenditures in connection with state and local elections, 110.4(a) and 114.2(a).

3. Donations for Party Office Building

A corporation or labor organization may donate money or anything of value to a national or state party committee specifically for the purpose of constructing or purchasing a party office facility (but not for influencing a particular federal election), 114.1(a)(2)(ix). Building fund donations are not considered contributions and are not subject to limits, 100.7(b)(12). Also, the FECA allowance for corporate donations for party office buildings supersedes any state prohibition in these matters, AOs 1996-8, 1998-7 and 1997-14.



1. This section does not limit the legal and accounting services that a connected organization may provide to its SSF for administration and solicitation purposes.

